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Department of State

TELEGRAM

CONFIDENTIAL 859

PAGE 01 TRIPOL 01014 151536Z

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ACTION AF-05

INFO OCT-01 SS-20 NSC-10 NSCE-00 INR-06 CIAE-00 NSAE-00

E-02 L-02 RSR-01 RSC-01 /048 W 089680

R 151451Z MAZF70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6273

C O N F I D E N T I A L TRIPOLI 1014

LIMDIS

SUBJ: OCCIDENTAL OIL

1. OXY SITUATION HAS NOT WORSENED SINCE MAY 10 (TRIPOLI 970 AND 981). NO FURTHER PRODUCTION CUTBACK HAS BEEN ORDERED. COMPANY IS STILL SEEKING REMOVAL OF PRODUCTION RESTRICTION BEFORE IT IS FORCED TO RESORT TO FORCE MAJEURE CLAUSES OF ITS SUPPLY CONTRACTS, THUS LEADING TO PUBLIC EXPOSURE OF ACTION TAKEN BY LARG.

2. IN MEETING WITH OXY MAY 14, MINPET MABRUUK SAID TWO ALGERIAN EXPERTS ARRIVING MAY 16 WOULD REVIEW TECHNICAL DATA SUBMITTED BY OXY TO DEMONSTRATE IT IS FOLLOWING SOUND PRODUCTION PROGRAM AND EMPLOYING APPROPRIATE CONSERVATION TECHNIQUES, WHILE CUTBACK ORDERED BY MINISTRY IS REDUCING RECOVERABLE RESERVES. MABRUUK SAID HE WOULD BE GUIDED BY OPINION OF ALGERIANS.

3. RE STATE 72329: OXY MANAGER WILLIAMSON IS IN PARIS TO CONSULT COMPANY'S REGIONAL HEADQUARTERS THERE AND TO CONTACT OXY CHAIRMAN HAMMER BY TELEPHONE. POSSIBILITY OF SUBMITTING NEW OFFER TO PRICE COMMITTEE TO BE EVALUATED AND, RRESUMABLY, UTILITY OF HAMMER VISIT TO BE ASSESSED. GP-4.
PALMER

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cj DATE 8/7/81
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TS AUTH. REASON (S)
ENDORSE EXISTING MARKINGS ☐
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